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9 January 1958

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SDN 8-5006/02-2

In reply refer to:  
58H-0557/1839

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Attention:

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Subject: Phase II Development of the  
AS-6 Communication System

Gentlemen:

[redacted] is pleased to submit in accordance  
with discussions between your representatives and those of the [redacted]  
[redacted] a formal proposal covering the development of the AS-6 Communi-  
cation System. This proposal consists of the following Exhibits:

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- Exhibit "A" - Statement of Work
- Exhibit "B" - Estimated Cost Breakdown
- Exhibit "C" - Delivery Schedule
- Exhibit "D" - Government Furnished Property

It is anticipated that any contract resulting from this pro-  
posal will be set forth as an additional Task Order to Contract RD-103 and  
the terms and conditions of that contract shall apply. The estimated cost  
and delivery schedule set forth herein may be considered firm for a period  
of sixty (60) days from the date of this letter.

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Requests for additional information regarding this correspondence  
should be directed to [redacted]  
[redacted]

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Very truly yours,

[redacted]

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Director, Military Sales

Enclosures

Exhibits "A", "B", "C" and "D"

Attachment I, [redacted] dtd  
19 December 1957

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Attachment II, Technical Discussion ✓

[redacted]

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EXHIBIT "A"  
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STATEMENT OF WORK

- Item 1: Design and develop the AS-6 Data Telemetering System as described in the attached technical discussion.
- Item 2: Fabricate prototype AS-6 field unit.
- Item 3: Fabricate prototype AS-6 base station.
- Item 4: Monthly letter reports.
- Item 4A: Quarterly progress reports.
- Item 4B: Final report.

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EXHIBIT "B"  
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Included in the material and subcontract column is a CPFF sub-contract to the [REDACTED] in the amount of \$128,294 covering the development of a long term switching device (See Attachment I). In order to meet the extremely stringent delivery schedule, the Sub-contractor has included overtime in his proposal.

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In view of the critical nature of this item, the [REDACTED] [REDACTED] believes that this overtime is justified and requests approval at the inception of the Task Order of this subcontract including the premium overtime.

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EXHIBIT "C"  
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DELIVERY SCHEDULE

- Item 1: Completed twelve (12) months from receipt of contractual coverage.
- Item 2: Completed twelve (12) months from receipt of contractual coverage.
- Item 3: Completed twelve (12) months from receipt of contractual coverage.
- Item 4A: Submitted fifteen (15) days after end of reporting period.
- Item 5B: Submitted thirty (30) days after end of reporting period.
- Item 6C: Submitted sixty (60) days after completion of Items 1, 2 and 3.

NOTE: This schedule is predicated on a forty-four (44) hour work week. As indicated in the estimated cost breakdown, Contractor anticipates 8464 overtime hours. It is requested that any Task Order resulting from this proposal include authorization for this overtime.

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EXHIBIT "D"  
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GOVERNMENT FURNISHED PROPERTY

1 ea RF 16-A Field Unit  
1 ea 231-D-20 Transmitter  
1 ea RS 11-A Receiver 2

The first two items are already at Contractor's facility as Government  
Furnished Equipment to existing Task Orders. The RS 11-A will not be  
required throughout the entire program but only for a short period to per-  
mit study and inspection of applicable techniques.

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Dear [redacted]

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Per recent discussions, we are quoting on your requirements for a long term switching device. We propose to develop and fabricate two (2) prototype devices as described in attached technical report. Further, we will be prepared to deliver, as you require, small quantities of these devices.

Our detailed cost estimate attached anticipates our cost of \$128,294.85 for development and fabrication of two (2) prototypes.

We propose to carry out this work under a one-year cost-plus-fixed-fee, best efforts, sub-contract to [redacted]

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Based on related experience we estimate at this time a cost of \$2500.00 each for a minimum of two (2) additional units. This figure should be accurate through quantities as high as six (6) units. It is essential that these additional units be procured directly following the development activities to provide a continuity of work for highly specialized personnel.

Delivery of any additional quantities will require approximately sixty (60) days. Under our proposed rate of progress this would require time beyond the one (1) year contract.

We are aware of your desire for an externally driven switch mock-up of our device within six (6) months from start of work. Further, we intend to attempt an eleven (11) month delivery of the two (2) prototype units.

As added insurance against contingencies entering in to adversely affect our performance, we have included in our cost estimate a sub-contractor fund and an overtime premium payment fund.

The work load and the time allotted are such that we are aware some overtime work will be required. The amount detailed in our cost estimate will be treated as a maximum amount not to be exceeded without prior authorization.



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We regularly employ on sub-contract such outside organizations as [redacted] and others. We have in the past, during the course of projects, found short term consultations with these organizations to be very expeditious. We believe there are good prospects for utilizing these services as adjuncts to our main service to you.

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We draw your attention to our technical proposal wherein we indicate we may wish to use an electronic watch movement. The development of this movement, now in the advanced stage, has been accomplished at great expense to this company. Details of its operation have not been publicly disclosed. Therefore, it must be understood that your acceptance of this proposal shall constitute an agreement that:

1. Neither the use of the movement, its construction details, nor any other information on it shall be disclosed or disseminated except on a strict "need to know" basis, and then only to fully authorized and responsible government personnel who are committed to respect the confidential character of the information.
2. Sole proprietary rights to this movement remain with this company. No license of any sort to any person or instrumentality is to be implied from our agreeing to incorporate, or from our incorporating, the electronic watch movement in the switch device.
3. This company will not be required to license anyone to manufacture the electronic watch movement in total, or any parts or sub-assemblies thereof, nor shall it be required to otherwise permit its manufacture by or for the government. The company fully reserves any and all patent rights in any way pertaining to the electronic watch movement and parts thereof.

In all other areas of patentable nature, we propose no restrictions on a royalty-free license to the government. The above agreement is the basis on which we are presently doing work for your customer and should pose no contractual problems.

We appreciate very much the opportunity of quoting on your requirements, and hope that we may be of service to you.

Very truly yours

Chief Engineer

Enc. (8)

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